

## Message Text

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ACTION AGRE-00

INFO OCT-01 EUR-12 ISO-00 EB-07 COME-00 TRSE-00 /020 W

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R 221301Z OCT 76

FM AMEMBASSY WARSAW

TO SECSTATE WASHDC 4664

INFO AMEMBASSY PARIS

AMEMBASSY BRUSSELS

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PASS AGRICULTURE/FAS/W FOR GEORGE WHITE/ITP

E.O. 11652: N/A

TAGS: EAGR

SUBJECT: CHICORY--POLAND

REF: (A) STATE 184956 OF JULY 26, 1976

(B) STATE 229348 OF SEPTEMBER 16, 1976

(C) FASTO CIRC. 325 OF SEPTEMBER 17, 1976

1. DATA REQUESTED IN REF C AVAILABLE ONLY ON QUANTITY OF  
EXPORTS. OFFICIAL STATISTICS ARE AS FOLLOWS (SHARE OF TOTAL  
EXPORTS SHOWN IN PARENTHESES):

POLAND--CHICORY EXPORTS--DRIED, UNPROCESSED

1976	1974	1973
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TONS

TOTAL	2,671(100)	6,376(100)	10,645(100)
UNITED STATES	1,250(47)	2,500(39)	1,991(19)
FRANCE	970(36)	1,950(31)	2,200(21)
BELGIUM	--	84(1)	1,830(17)
W.GERMANY	10(--)	422(7)	1,470(14)
SWITZERLAND	127(5)	1,100(17)	1,054(10)
AUSTRIA	298(11)	320(5)	400(4)

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OTHER	16(1)	0	1,700(15)
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1972      1971  
TONS

TOTAL	9,405(100)	7,881(100)
UNITED STATES	3,498(37)	1,991(25)
FRANCE	1,000(11)	2,350(30)
BELGIUM	1,250(13)	1,220(15)
W.GERMANY	947(10)	536(7)
SWITZERLAND	1,001(11)	1,026(13)
AUSTRIA	550(6)	--
OTHER	1,159(12)	658(10)

2. IN VIEW OF ABOVE FIGURES WHICH APPEAR TO DEMONSTRATE THAT THE UNITED STATES HAS NOT BEEN DISCRIMINATED AGAINST IN ACCESS TO UNPROCESSED POLISH CHICORY (OUR INFORMATION IS THAT VIRTUALLY THE ENTIRE CORP IS EXPORTED), WE BELIEVE THAT IT WOULD BE DIFFICULT TO OBTAIN THE OTHER DATA REQUESTED WITHOUT OUR BEING ABLE TO EXPLAIN THE ACCUSATION AGAINST ROLIMPEX, AND HOW SUCH DATA WOULD AID IN SUBSTANTIATING OR REFUTING THE ACCUSATION.

3. TO ILLUSTRATE, FOLLOWING IS A MEMORANDUM OF CONVERSATION CONDUCTED AUGUST 11, 1976, BETWEEN ROLIMPEX OFFICAL AND MESSRS LARRY BUTCHER (REPRESENTING THE AGRICULTURAL ATTACHE IN HIS ABSENCE) AND WIKTOR KORNHOFFER OF THE AGRICULTURAL ATTACHE'S OFFICE. BEGIN QUOTE. LARRY BUTCHER AND WIKTOR KORNHOFFER CALLED ON JOZEF BUDASZ, HEAD OF THE SUGAR AND POTATO PRODUCTS SECTION OF ROLIMPEX, TO ASK FOR BACKGROUND INFORMATION ON ROLIMPEX'S SALES OF CHICORY TO THE U.S.

BUDASZ AND HIS ASSOCIATES WERE ASTONISHED AT THE CHARGES FILED BY THE R.E. SCHANZER CORP. HE SAID THAT THE SCHANZER CORP. HAS BEEN ROLIMPEX'S SOLE OUTLET FOR CHICORY IN THE U.S. AND THAT THIS WAS THE FIRST TIME HE HAD HEARD A CUSTOMER COMPLAIN ON RECEIVING TOO LOW A PRICE. HE ADDED THAT POLISH-GROWN CHICORY WAS KNOWN FOR ITS HIGH QUALITY AND CORRESPONDINGLY HIGHER PRICE THAN CHICORY FROM ROMANIA AND CZECHOSLOVAKIA. HE SAW ABSOLUTELY NO SENSE IN THE COMPLAINT, AND COULD ONLY SPECULATE THAT THE DEATH, EARLY THIS YEAR, OF LIMITED OFFICIAL USE

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THE PRESIDENT OF SCHANZER CORP. HAD BROUGHT ABOUT A CHANGE IN MANAGEMENT WHICH WAS OUT OF TOUCH WITH REALITY. WHAT, HE ASKED, COULD BE THE POINT OF THE SCHANZER COMPLAINT?

MR. BUTCHER SAID THAT FROM READING THE COMPLAINT HE HAD EXPECTED THAT ROLIMPEX HAD SEVERAL SALES OUTLETS IN THE U.S. OR HAD RECENTLY CHANGED DISTRIBUTORS THERE FOR ITS CHICORY. BUDASZ SAID THIS WAS NOT THE CASE. WHEN ASKED IF ROLIMPEX

HAD ENTERED INTO AGREEMENTS WITH FRENCH OR BELGIAN FIRMS FOR THE RE-EXPORT OF POLISH CHICORY TO THE U.S.,PBUDASZ SAID DEFINITELY NOT. HE SHOWED FIGURES WHICH INDICATED THAT EXPORTS TO THE U.S., FRANCE, AND BELGIUM HAVE BEEN IN APPROXIMATELY THE SAME RATIO OVER THE LAST THREE YEARS, WHICH WOULD MEAN IT IS UNLIKELY THAT ROLIMPEX HAS DIVERTED ITS EXPORTS THROUGH THESE CHANNELS.

MR. BUTCHER EXPLAINED THE NATURE OF THE ITC PROCEEDINGS AND THAT THE FILING OF A COMPLAINT IN ITSELF WOULD NOT INJURE ROLIMPEX'S REPUTATION IN THE U.S. MR. BUTCHER ENCOURAGED ROLIMPEX TO ENLIST A U.S. LAWYER, IN ADDITION TO THE POLISH LAWYERS INVOLVED IN THE CASE, IN THE EVENT THAT THE PRELIMINARY ITC FINDING (TO BE MADE POSSIBLY THIS WEEK) GOES AGAINST ROLIMPEX. IF THE FACTS ARE INDEED AS CLEAR-CUT AS DESCRIBED BY BUDASZ, THE CASE MIGHT BE DISMISSED AT AN EARLY DATE. END QUOTE.

4. SHOULD ITC REQUIRE ADDITIONAL INFORMATION WE PROPOSE THAT IT MIGHT MORE EASILY BE OBTAINED FROM THE WASHINGTON EMBASSIES OF THE COUNTRIES CONCERNED SINCE IT IS THEIR INTERESTS WHICH ARE AT STAKE, RATHER THAN OUR OWN.  
DAVIES

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NNN

## Message Attributes

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